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Canada Mortgage and Housing Corporation

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RESIDENTIAL CONSTRUCTION REMAINS VERY STRONG IN GREATER MONTRÉAL

The latest monthly starts survey conducted by Canada Mortgage and Housing Corporation (CMHC) revealed that residential construction remained very strong in Greater Montréal during the month of February. In all, 1,228 housing units were started, for an increase of 2 per cent over February 2002, which had been a very active month.

While condominium construction was dragging its feet the month before, the results for February show a totally different story. Such starts rose by 61 per cent, and just over 70 per cent of the new job sites are situated on the Island of Montréal. In this sector, condominium construction went up by 75 per cent, and 77 per cent of these new job sites are located in the Nuns' Island, Downtown and Outremont districts. Condominium construction also performed well on the South Shore, where starts of this type were up by 50 per cent.

Single-detached home building, for its part, fell slightly (-7 per cent), while semi-detached and row home construction rose by 6 per cent. In the rental housing segment, the fast takeoff recorded in January did not maintain its cruising speed. In fact, activity went down by 61 per cent, as 75 rental starts were enumerated during this past February, compared to 190 in 2002.

Despite a slightly less spectacular gain than in previous months, housing starts are still up by 14 per cent since the beginning of the year,

compared to 2002. The rental housing segment posts the greatest increase (+54 per cent), followed by condominiums (+12 per cent). Detached home construction, for its part, shows a small decrease of 2 per cent from the level of activity recorded last year, and semi-detached and row home building is ahead by 15 per cent.

There is every indication that residential construction will post another very good year in 2003 in Greater Montréal. The excellent job creation in 2002, combined with the scarce supply of existing homes and rental dwellings, not to mention the low mortgage rates, all stimulated the residential construction sector.

Since the beginning of the year, the Island of Montréal posts the best performance. Housing starts are up by 57 per cent there, with the growth in the rental segment (+229 per cent) largely offsetting the decreases observed in detached home building (-51 per cent) and semi-detached and row home construction (-9 per cent). The Laval and North Shore sector, for its part, continues to grow (+12 per cent) and remains in the lead for single-family home building. In this sector, starts went up in all dwelling categories, with the exception of rental housing (-65 per cent). On the South Shore, activity went down by 31 per cent, a decrease that extended to all housing types. However, detached home construction was less affected (-6 per cent) than the other dwelling types.

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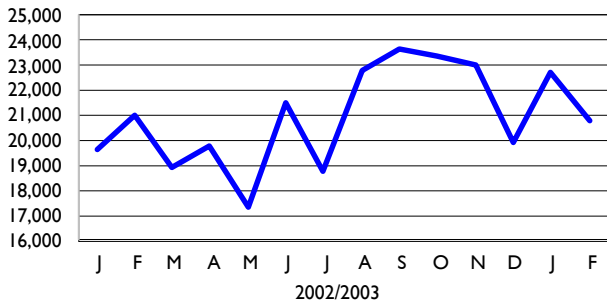


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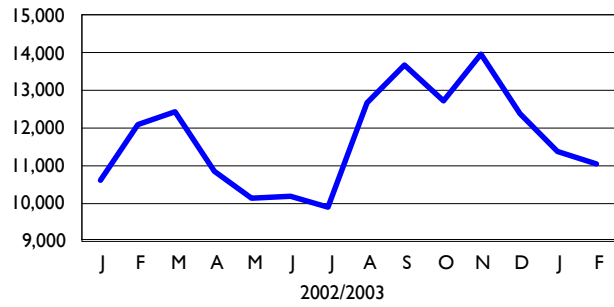
Housing Starts - January 2002 to February 2003

Seasonally Adjusted Data at Annual Rate

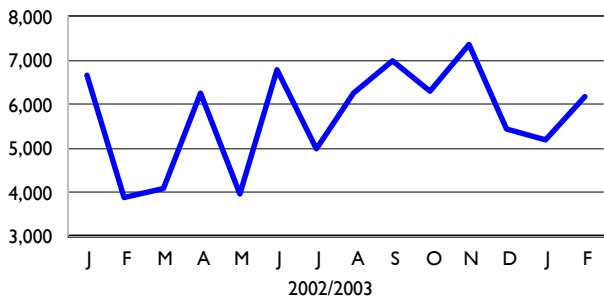
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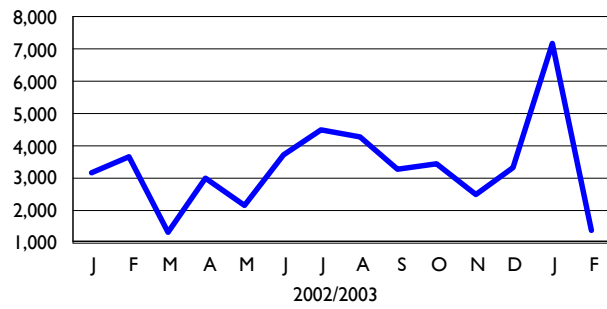
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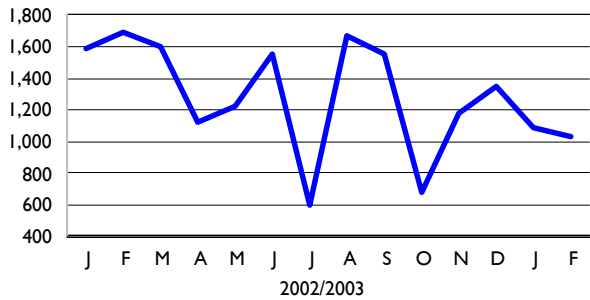
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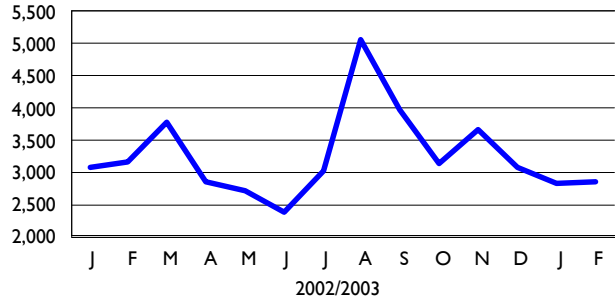
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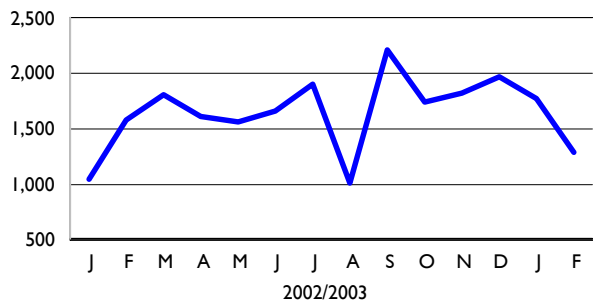
Single-Family - Montreal Island



Single-Family - South-Shore



Single-Family - Laval



Single-Family - North-Shore

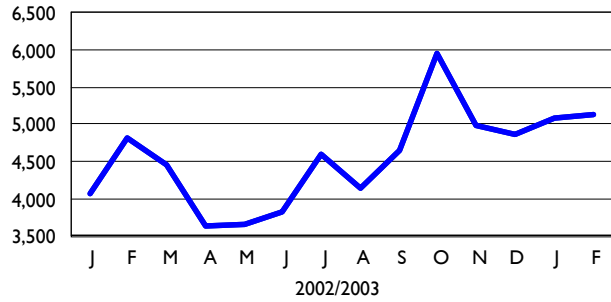


Table I
Summary of Activity by Intended Market
Montréal Metropolitan Area

<i>Activity / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Housing Starts				
February 2003	671	482	75	1,228
February 2002	711	299	190	1,200
Cumulative 2003	1,175	819	739	2,733
Cumulative 2002	1,182	730	481	2,393
Under Construction*				
February 2003	3,785	4,045	2,886	10,716
February 2002	2,628	2,736	1,249	6,613
Completions				
February 2003	424	226	126	776
February 2002	370	109	41	520
Cumulative 2003	1,153	660	271	2,084
Cumulative 2002	876	255	275	1,406
Unoccupied*				
February 2003	567	497	98	1,162
February 2002	822	584	305	1,711
Absorption				
February 2003	416	242	169	827
February 2002	308	123	40	471
Cumulative 2003	1,142	681	500	2,323
Cumulative 2002	797	348	295	1,440
Duration of Inventory (in months)				
February 2003	0.6	1.3	0.5	0.8
February 2002	1.3	1.7	2.0	1.5

* As at the end of the period shown

Source: CMHC

*For more information about this publication,
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Customer Service Centre
at 1-866-855-5711

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Table 2
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

<i>Zone / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Zone 1: West Island				
February 2003	10	15	14	39
February 2002	68	0	15	83
Cumulative 2003	27	20	14	61
Cumulative 2002	93	0	199	292
Zone 2: West-Centre				
February 2003	17	203	3	223
February 2002	3	138	0	141
Cumulative 2003	22	261	3	286
Cumulative 2002	12	328	0	340
Zone 3: East-Center				
February 2003	12	128	4	144
February 2002	6	40	0	46
Cumulative 2003	21	232	551	804
Cumulative 2002	18	115	4	137
Zone 4: East-End				
February 2003	12	3	0	15
February 2002	7	21	0	28
Cumulative 2003	27	7	99	133
Cumulative 2002	27	21	0	48
Zone 5: South-Laval				
February 2003	23	0	0	23
February 2002	29	30	0	59
Cumulative 2003	46	41	0	87
Cumulative 2002	45	49	0	94
Zone 6: North-Laval				
February 2003	67	27	8	102
February 2002	80	0	0	80
Cumulative 2003	142	63	8	213
Cumulative 2002	122	14	0	136
Zone 7: MRC Deux-Montagnes				
February 2003	75	4	3	82
February 2002	87	18	7	112
Cumulative 2003	139	4	3	146
Cumulative 2002	130	18	11	159
Zone 8: MRC Ste-Thérèse-de-Blainville				
February 2003	41	8	0	49
February 2002	71	0	2	73
Cumulative 2003	77	8	0	85
Cumulative 2002	104	3	11	118

Table 2 (Cont'd)
Housing Starts by Zone and by Intended Market
Montréal Metropolitan Area

<i>Zone / Period</i>	<i>Freehold (Single-Family)</i>	<i>Condominium</i>	<i>Rental</i>	<i>Total</i>
Zone 9: MRC des Moulins				
February 2003	109	34	16	159
February 2002	66	0	0	66
Cumulative 2003	194	40	16	250
Cumulative 2002	127	15	0	142
Zone 10: MRC L'Assomption				
February 2003	42	0	12	54
February 2002	31	0	0	31
Cumulative 2003	57	24	12	93
Cumulative 2002	58	0	27	85
Zone 11: South-Shore Centre				
February 2003	39	47	0	86
February 2002	48	28	8	84
Cumulative 2003	77	79	6	162
Cumulative 2002	77	125	58	260
Zone 12: East South-Shore				
February 2003	41	6	0	47
February 2002	45	12	4	61
Cumulative 2003	65	18	0	83
Cumulative 2002	77	12	13	102
Zone 13: South South-Shore				
February 2003	19	0	6	25
February 2002	22	0	3	25
Cumulative 2003	42	6	6	54
Cumulative 2002	33	6	3	42
Zone 14: West South-Shore				
February 2003	56	7	3	66
February 2002	51	0	67	118
Cumulative 2003	87	7	9	103
Cumulative 2002	106	6	69	181
Zone 15: Vaudreuil-Soulanges *				
February 2003	81	0	6	87
February 2002	86	6	24	116
Cumulative 2003	110	6	12	128
Cumulative 2002	133	12	24	169
Zone 16: St-Jérôme				
February 2003	27	0	0	27
February 2002	11	6	60	77
Cumulative 2003	42	3	0	45
Cumulative 2002	20	6	62	88

Source: CMHC

* Including municipalities in the delimitations of Montreal metropolitan area.

Table 3
Summary of Activity by Large Zone and by Intended Market
Montréal Metropolitan Area

Activity / Zone	Freehold (Single-Family)		Condominium		Rental	
	Feb. 2003	Feb. 2002	Feb. 2003	Feb. 2002	Feb. 2003	Feb. 2002
Housing Starts						
Island of Montréal (1 to 4)	51	84	349	199	21	15
Laval (zones 5 and 6)	90	109	27	30	8	0
North-Shore (zones 7 to 10 & 16)	294	266	46	24	31	69
South-Shore (zones 11 to 14)	155	166	60	40	9	82
Vaudreuil-Soul. *** (zone 15)	81	86	0	6	6	24
Under Construction*						
Island of Montréal	492	476	2,432	1,705	1,740	518
Laval	631	423	489	378	72	15
North-Shore	1,498	865	495	245	405	362
South-Shore	806	589	605	390	657	327
Vaudreuil-Soulanges ***	358	275	24	18	12	27
Completions						
Island of Montréal	62	58	166	57	0	26
Laval	50	34	8	3	3	0
North-Shore	180	145	30	0	95	15
South-Shore	92	103	22	49	16	0
Vaudreuil-Soulanges ***	40	30	0	0	12	0
Unoccupied*						
Island of Montréal	80	114	276	399	42	287
Laval	103	160	35	74	3	8
Rive- Nord	224	326	52	26	28	10
South-Shore	119	157	132	83	20	0
Vaudreuil-Soulanges ***	41	65	2	2	5	0
Absorption						
Island of Montréal	57	48	165	75	44	27
Laval	44	27	15	9	4	1
North-Shore	175	120	39	6	93	12
South-Shore	98	88	23	33	18	0
Vaudreuil-Soulanges ***	42	25	0	0	10	0
Duration of Inventory**						
Island of Montréal	0.8	1.3	1.3	1.7	0.6	3.8
Laval	0.8	1.5	0.6	1.6	0.3	1.6
North-Shore	0.7	1.4	1.3	1.2	0.4	0.2
South-Shore	0.5	0.9	2.0	2.2	0.6	0.0
Vaudreuil-Soulanges ***	0.5	1.0	0.5	2.7	1.2	0.0

Source: CMHC

* As at the end of the period shown

** Trend (in months)

*** Including municipalities in the delimitations of Montreal metropolitan area

Table 4
Housing Supply
Montréal Metropolitan Area

<i>Intended Market</i>	<i>Under Construction</i>	<i>Units Unoccupied</i>	<i>Short-Term Supply</i>	<i>Monthly Absorption</i>	<i>Dur. of Supply (in months)</i>
	February 2003			Trend 2003	
Freehold	3,785	567	4,352	892	4.9
Condominium	4,045	497	4,542	370	12.3
Rental	2,886	98	2,984	181	16.5
	February 2002			Trend 2002	
Freehold	2,628	822	3,450	652	5.3
Condominium	2,736	584	3,320	334	9.9
Rental	1,249	305	1,554	155	10.0

Source: CMHC

Table 5
Economic Overview
Montréal Metropolitan Area

	2003		2002				2002		2001			
	<i>Fev.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>	<i>Fev.</i>	<i>Jan.</i>	<i>Dec.</i>	<i>Nov.</i>	<i>Oct.</i>	<i>Sept.</i>
Labour Market*												
Job Creation (Loss) - in thousands	81	91	87	67	58	56	50	47	50	50	-2	21
Unemployment Rate (%)	8.8	8.5	7.7	7.8	7.9	8.5	9.2	8.9	8.4	7.8	7.8	7.7
Mortgage Rates (1)												
1-year	4.9	4.9	4.9	4.9	5.3	5.3	4.5	4.5	4.6	4.6	7.9	5.5
5-year	6.6	6.5	6.7	6.7	7.0	6.7	6.8	7.0	6.8	6.8	8.2	7.2
Annual Inflation Rate (%)	NA	3.7	3.2	3.5	3.2	2.3	1.6	1.3	1.4	1.2	2.3	2.1
New House Price Index (1992=100)												
House	NA	9.4	8.5	8.5	6.1	5.8	3.8	4.2	4.6	4.6	4.8	4.9
Land	NA	9.3	8.6	8.6	7.5	8.1	3.8	4.1	3.3	3.3	2.1	3.0
Total	NA	9.3	8.3	8.3	6.3	6.2	3.7	4.1	4.4	4.4	4.3	4.5
MLS Sales - Single-Family Houses	2,422	1,761	1,304	1,782	1,870	1,370	3,135	2,034	1,531	1,850	1,671	1,307

* Three-month average

Sources: Statistics Canada, Conference Board of Canada, GMREB

Definitions et Concepts

Intended Markets	The freehold market refers to single-family houses (detached, semi-detached and row) owned under freehold tenure; the condominium segment comprises houses and apartments held under divided co-ownership; and finally, the rental market encompasses apartment dwellings.
Housing Starts	Refer to the beginning of construction work on a building, usually when the concrete has been poured for the entire footing around the structure, or at an equivalent stage where a basement will not be a part of the structure.
Under Construction	Units started but not completed. The number of units under construction at the end of a period may take into account certain adjustments that took place, for various reasons, after the strata were reported.
Completions	Refer to units where all the proposed construction work has been performed or, in some cases, where ninety percent of all the construction work has been completed and the structure is fit for occupancy.
Unoccupied	Refer to new completed units that have remained unoccupied.
Absorptions	Newly completed units sold or rented. The number of absorptions is obtained from a survey initiated when the structure is completed. Units presold or pre-leased are not included until the completion stage. The number of absorbed units is the number of completed and unoccupied units from the previous month plus the completions for the current month minus the completed and unoccupied units for the current month.
Duration of Inventory	Refer to the period necessary for the absorption of the unoccupied units, that is, the ratio between unoccupied units and absorbed units (average for the last 12 months). This figure is expressed in month.
Short-Term Supply	Refer to the total supply of new units and includes units under construction and units that are completed but not occupied.
Duration of Supply	This is the period required to absorb the units under construction and unoccupied, that is, the ratio between the total supply and the absorbed units (average for the last 12 months). This figure is expressed in months.

Montréal Metropolitan Area Zones

Zones	<i>Municipalities, Boroughs or Sectors</i>
1	Baie d'Urfé, Beaconsfield, Dollard-des-Ormeaux, Dorval, Kirkland, Pierrefonds, Pointe-Claire, Roxboro, Senneville, Ste-Anne-de-Bellevue, Ste-Geneviève, St-Raphaël-de-l'Île-Bizard
2	Centre-Ouest (Mtl), Côte-des-Neiges, Côte St-Luc, Hampstead, Lachine, LaSalle, Montréal-Ouest, Mont-Royal, Notre-Dame-de-Grâce, Outremont, St-Laurent, Saraguay/Cartierville, Sud-Ouest (Mtl), Verdun/Île-des-Soeurs, Ville St-Pierre, Westmount
3	Ahuntsic, Anjou, Centre (Mtl), Mercier/Hochelaga-Maisonneuve, Montréal-Nord, Petite-Patrie/Rosemont, Plateau Mont-Royal, St-Léonard, Villeray/St-Michel
4	Bout-de-l'Île (Mtl), Montréal-Est
5	Chomedey, Duvernay, Laval-des-Rapides, Pont-Viau, St-Vincent-de-Paul
6	Auteuil, Fabreville, Laval-Ouest, Laval-sur-le-Lac, Ste-Dorothée, St-François, Ste-Rose, Vimont
7	Deux-Montagnes, Mirabel, Oka, Pointe-Calumet, St-Eustache, St-Joseph-du-Lac, Ste-Marthe-sur-le-Lac, St-Placide, Gore, St-Colomban
8	Blainville, Boisbriand, Bois-des-Filion, Lorraine, Rosemère, Ste-Anne-des-Plaines, Ste-Thérèse
9	Lachenaie, La Plaine, Mascouche, Terrebonne
10	Charlemagne, L'Assomption, Lavaltrie, Le Gardeur, Repentigny, St-Antoine-Lavaltrie, St-Gérard-Majella, St-Sulpice
11	Boucherville, Brossard, Greenfield Park, LeMoine, Longueuil, St-Hubert, St-Lambert
12	Beloil, McMasterville, St-Amable, St-Basile-le-Grand, St-Bruno-de-Montarville, Ste-Julie, St-Mathieu-de-Beloil, Varennes
13	Carignan, Chambly, Mont-St-Hilaire, Notre-Dame-de-Bon-Secours, Otterburn Park, Richelieu, St-Mathias
14	Beauharnois, Candiac, Châteauguay, Delson, La Prairie, Léry, Maple Grove, Melocheville, Mercier, Ste-Catherine-d'Alexandrie, St-Constant, St-Isidore, St-Mathieu, St-Philippe
15	Notre-Dame-de-l'Île-Perrot, Pincourt, Pointe-des-Cascades, Vaudreuil-sur-le-Lac, St-Lazare, Terrasse-Vaudreuil, Vaudreuil-Dorion, Hudson, Île-Cadieux, Île-Perrot, Les Cèdres
16	Bellefeuille, Lafontaine, St-Antoine, St-Jérôme

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